



COMMUNITY GIVING PROGRAM

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| Policy Owner: | <i>Human Resources</i> | Effective Date: | <i>11/01/10</i> |
| Contact: | <i>HRSC 866-401-4455</i> | | |

Objective

The OneBeacon Community Giving Program (“the Program”) is intended to help build awareness of the OneBeacon brand in the communities where our agents, brokers and employees live and work, and to support worthwhile causes that enhance our business objectives. The Program provides an opportunity to position the company in a positive light as a responsible corporate citizen. In addition, philanthropic efforts have the benefit of building employee and business partner morale and loyalty.

Methodology

The Program will follow community-giving recommendations that reflect OneBeacon’s goals and culture.

1. OneBeacon Charitable Contribution Committee (“the Committee”) – The role of the Committee is to formalize guidelines for corporate giving, establish a process for accepting and reviewing proposals, and award grants from the OneBeacon Charitable Trust. The Committee will review contribution requests for alignment with guidelines, take action to distribute funds and evaluate the effectiveness of the contributions.

The Administrative Assistant for Human Resources will handle the administrative functions for the Program. The tasks include handling correspondence between OneBeacon and grant recipients; arranging for checks to be drafted and disbursed; and tracking and monitoring proposals.

2. Funding Guidelines – Funding guidelines (page 2) have been drafted to ensure that disbursements are targeted to appropriate entities and to allow Trust assets to be preserved for ongoing giving potential. Funding priorities are intended to support organizations dedicated to projects or programs that further OneBeacon’s business goals and programs or organizations where OneBeacon employees have taken an active role in service delivery, fund raising or board membership.

To further OneBeacon’s business goals, support could include partnering with nonprofit and/or quasi-governmental organizations on such issues as automobile, home or water safety, preventing arson or fraud, or supporting insurance education. It is recommended that a key consideration in funding decisions in this category be opportunities for the field offices to support the causes on a local level.

3. Employee Volunteerism – The Program encourages employee volunteerism. OneBeacon support includes flexibility for employees to attend meetings and events during the workday upon the approval of the employee’s manager. In addition, OneBeacon will provide a \$500 charitable gift for every 40 hours of community service provided by an individual employee as certified by the charitable organization. Charitable organization and charitable purposes are defined in Articles Six and Seven of the OneBeacon Charitable Trust.

4. Approval of Sponsorship Requests – Requests for amounts in excess of \$500 must be submitted to the full Charitable Trust Committee for approval. Requests of \$500 or less may be approved by two representatives of the Trust Committee.

5. Monitoring Mechanism – Grants provided to community groups or programs are limited to one year’s duration. However, exceptions for a multi-year grant may be made if the grant is awarded to launch a new initiative. In such a case, the organization receiving the grant is required to provide an annual statement specifying how the funds were used.

6. Promoting Community Relations – To raise awareness of OneBeacon in the community and garner employee support, the Committee will work with Corporate Communications to promote philanthropic and employee volunteer activities to external and internal audiences, through media outreach and OneBeacon publications.

7. Senior Management Support – It is recommended that members of senior management participate in philanthropic events, as their schedules allow. The purpose is to demonstrate to employees that such programs have senior management support, encourage employee involvement, and instill a sense of pride in the company.

Guidelines for Giving

OneBeacon recognizes the importance of being a good corporate citizen in all communities where it does business. To that end, the company supports local communities through charitable donations from the OneBeacon Charitable Trust, as well as employee volunteer efforts. The following reflects the corporation’s priorities in its giving program.

➤ **Furthering OneBeacon’s Goals**

OneBeacon supports organizations that further its business goals, such as those dedicated to promoting driving or home safety; preventing theft, fraud or arson; or supporting insurance education.

➤ **Support of Company Volunteerism**

Priority funding consideration is also given to organizations in which OneBeacon employees act as board members or volunteers, and whose structure and goals are consistent with the other guidelines.

➤ **Support of Private and Higher Education – Matching Gifts and Scholarships**

Matching Gifts: OneBeacon matches employee contributions to any tax-exempt private secondary school, public or private junior college, college, university, or graduate or professional school in the U.S. or its possessions. These institutions must qualify as nonprofit under IRS Code § 501(c) (3); accredited by an independent accreditation body; and their admission policies must meet the requirements of the IRS Code. The company match is 100 percent of the employee's contribution, with a maximum match of \$1,500. Recognizing that many such donations are made in December of each year, the beneficiary of such employee giving may submit a matching gift request until April 1 of the subsequent year. The match will be counted toward prior year donations made by the employee.

OneBeacon Scholarships: Each year, OneBeacon awards \$1,500 one-year scholarships to 20 rising college freshmen. Ten are awarded to children of employees and ten to the children of OneBeacon agency principals and staff. The scholarship program, including award determination, is administered by Scholarship Management Services, a nonprofit scholarship program administrator. To qualify, the applicant's parent must have at least six months of service with OneBeacon or three years with an agency that has represented OneBeacon for at least one year. Scholarships are awarded based on various criteria including academic records, leadership skills, participation in school and community activities, honors, work experiences, and a personal recommendation. Financial need will not be considered.

- **Improving Life Conditions:** Corporate support is further expressed through charitable donations to organizations that enhance the education, health and welfare of communities where OneBeacon does business or to organizations that are providing emergency assistance anywhere in the world in the aftermath of a natural disaster or during a state of emergency. This support is primarily provided through OneBeacon's long-standing commitment to local United Way organizations. The company sponsors an annual employee fund-raising drive, and matches employee donations by 50% up to a maximum of \$1,500 per year from the Trust.
- **Support of the Environment**
Grants may be made to organizations that are active in conservation, public policy, research, education or environmental management.
- **General Guidelines**
 - All organizations receiving donations from the trust must qualify as non-profit under the provisions of the Internal Revenue Code of 1986 § 501(c) (3).
 - The Trust targets nonprofits where its employees are personally engaged as volunteers, board members or beneficiaries, or as financial backers.
 - As a general rule, the maximum annual contribution amount honored by the Trust is \$500 for one-time fund raisers that employees and agents may participate in, including but not limited to, walks, runs, and cycling events. The maximum annual contribution amount honored by the Trust is \$1,500 for requests to support nonprofits that OneBeacon employees and/or agents are actively involved with either as volunteers or in leadership roles.

- Qualified organizations that are OneBeacon insured's may be considered for sponsorship, as long as the request has not been proposed by the OneBeacon producer who placed the business with OneBeacon (or "the agency that represents the account."). The amount of the donation should be consistent with the balance of the giving guidelines.
- Requests submitted directly by a OneBeacon policyholder for a donation for the policyholder or any other organization will not be honored, regardless of whether the organization is an IRS-qualified nonprofit.
- Qualified organizations dedicated to environmental protection must have demonstrated success in their environmental initiatives.
- Organizations receiving funding must reflect favorably on the image and reputation of OneBeacon.
- The company does not provide funding to organizations that discriminate based on age, race, religion, color, sex, disability, national origin, ancestry, marital status, sexual orientation or veteran status. Further, the company does not support religious institutions, organizations or causes or fraternal organizations.

➤ **Memorial Contributions**

- The Trust will contribute up to \$500 in memory of recently deceased active employees to a qualified nonprofit designated by the surviving family. The Trust will similarly honor former employees who die while out on short-term disability.

➤ **Request Process**

- [Charitable Contribution](#)
- [Matching Gift](#)